

Summary of Minutes

**CITY OF BLOOMINGTON ECONOMIC DEVELOPMENT COMMISSION
MEETING HELD ON FRIDAY MAY 25, 2011 AT 3:30PM IN THE
MCCLOSKEY AND HOOKER CONFERENCE ROOMS OF CITY HALL (THE
MEETING WAS MOVED WHILE IN PROGRES TO A GROUND FLOOR
CONFERENCE ROOM DUE TO SEVERE WEATHER CONCERNS) AT
SHOWERS, 401 NORTH MORTON STREET, BLOOMINGTON, INDIANA**

Call to Order

The meeting of the EDC was called to order in the Hooker Conference Room by Dick McGarvey at 3:30 PM.

Roll Call

Economic Development Commission Members: Dick McGarvey, Kurt Zorn, Amanda Nickey, Mike Satterfield, Malcolm Webb

Staff present: Danise Alano-Martin, Economic and Sustainable Development Director; Adam Wason, Economic and Sustainable Development Assistant Director; Miah Michaelsen, Economic and Sustainable Development Department; Inge VanderCruysse, City Legal Department; Mick Renneisen, City Parks and Recreation Department; Dan Sherman, City Council Attorney

Petitioners present: Danielle McClelland, Buskirk Chumley Theater Management (BCTM); Maarten Bout, Buskirk Chumley Theater; Lynne Schwarzberg, BCTM Board Member

Approval of Minutes

Mike Satterfield moved approval of the May 4, 2011 minutes. Kurt Zorn seconded. Minutes approved by acclamation.

Staff Report

Adam Wason updated the commissioners on outstanding loans and informed the commission that both the ChaCha and Bloomingfoods loans are current. Feast Bakery and Café, due to an accounting error, will be current by the end of the week.

Ms. Alano-Martin spoke to the commissioners regarding the staff plans for requesting recapitalization through the traditional budgeting process and distributed a staff memo to the EDC summarizing what the proposal would be: staff would include as part of the Department of Economic & Sustainable Development Departmental budget proposal a request for \$50,000 to be deposited into the BIIF's non-reverting fund to cover 2012 grants. The memo said that staff would also request a "Supplemental Budget Request" of \$200,000 for the BIIF to provide added lending capacity. Ms. Alano-Martin discussed how the budget process works and explained that "Supplemental Requests" are above and beyond each department's "Base" request and would support new capacity. Additionally, she said that staff would continue searching for outside sources (federal grants, etc.) that

could be used to recapitalize the fund. She clarified in the memo that there could be no guarantees from staff that the request would be advanced by the Administration or approved by the Council.

Dick McGarvey proposed a change to BIIF rules. Mr. McGarvey made a motion stating that the commission would not make any grants beyond the amount of interest earned on the BIIF fund annually or in the amount that is recapitalized on an annual basis. Discussion ensued. Malcolm Webb suggested his position would be that should the City Council's policy determination be that the fund should be spent with or without recapitalization, then the EDC should follow that policy. Margie Rice pointed out that the EDC can make policy recommendations which would then go to Council for final approval.

The meeting was then interrupted by a severe weather alert and resumed in the downstairs McCloskey Conference Room.

Mr. Satterfield confirmed that the City Council can set policy but would depend upon recommendations of appropriate boards or commissions. He said he could not say for sure whether the Council would support recapitalization or not. Mr. Satterfield asked fellow members whether recapitalization would be an issue if the interest rate environment were better. Mr. Zorn responded that recapitalization has been an important issue for him for many years. Mr. Webb said it is likely that the interest environment has likely never been enough to support grants solely based upon the interest earned.

Mr. Zorn spoke about the issue of recapitalization and that he is, at this time, satisfied with the efforts of staff to seek recapitalization understanding that this is not guaranteed. Mr. Zorn did state that the BCT grant application does have merit and he is likely to support this grant, but that it will be difficult for him to support any future grant applications without a recapitalization mechanism in place. Mr. Zorn said that he would interpret the City Council's response to the recapitalization proposal as a policy recommendation as to whether the EDC should continue to do grants.

Amanda Nickey stated that she felt the recapitalization issue is very important but that the grant application on the agenda needs to be separate from the discussion of recapitalization. She shared concerns about guidance regarding use of the fund, but did not want the current grant application to suffer because of this process. Mr. Zorn said he views the fund as a revolving loan fund with a grant component on the side, but that the fund cannot continue to grant the funds away. It puts the Commission in an awkward position when grant applications come forward with good merit, yet the fund continues to lack a recapitalization source.

There was no second to Mr. McGarvey's motion after discussion concluded and Mr. McGarvey moved forward on the agenda to the BIIF grant application.

Discussion of BIIF Grant Application by Buskirk-Chumley Theater

Danielle McClelland, Executive Director of the Buskirk Chumley Theater (BCT), thanked the commissioners for the opportunity to apply for this grant program. The BCT is looking to renovate the box office space and construct a more viable concession space.

Ms. McClelland spoke of the commitment of the Theater to assist over 80 community organizations and events in the promotion and sales of tickets for events.

The proposed renovation will split the current box office space between the concession space and the box office/downtown visitor's center space.

Mr. McGarvey asked whether or not the BCT Box Office is affiliated to the Bloomington Convention and Visitor's Center. Ms. McClelland answered that the BCT Box Office does receive support from both the CVB and Downtown Bloomington Inc.

Malcolm Webb made a point to make a disclosure that he does assist the BCT Management Corporation, which maintains a stock brokerage account through Mr. Webb's financial services company. Mr. Webb's company assists the BCT Management Corporation with processing stock gifts given to the BCT.

Ms. Nickey stated that she wanted the City Administration and Common Council to understand how difficult these discussions regarding grants from this fund have become, due to the issue of recapitalization. She also stated that although difficult, the current application meets the written guidelines and that this organization should not be punished for the issue of recapitalization for the fund.

Mr. Satterfield asked for the commission to give comments regarding the fact that the BCT is owned by the City and that this could be considered a grant from the City to the City. Commissioners discussed this issue and it was decided that although the Theater is City owned it is a community asset, serving many organizations, events, and constituencies and that BCT Management is a private entity overseeing its programming.

Amanda Nickey made a motion to approve the grant application from the BCT. Kurt Zorn seconded. Amanda Nickey, Kurt Zorn, Mike Satterfield, voted yes. Malcolm Webb abstained and was clear to state that it was not because of reservations on the proposal but due to his relationship to the BCT. Dick McGarvey voted no. The motion was approved 3-1-1.

Mike Satterfield moved to adjourn the meeting, Amanda Nickey seconded. Meeting was adjourned at 4:40.